

Message Text

UNCLASSIFIED

PAGE 01 OECD P 12535 01 OF 02 222310Z

63

ACTION EUR-25

INFO OCT-01 ISO-00 AID-20 CEA-02 CIAE-00 COME-00 EB-11

EA-11 FRB-02 INR-10 IO-14 NEA-14 NSAE-00 RSC-01

OPIC-12 SP-03 TRSE-00 CIEP-02 LAB-06 SIL-01 SWF-02

OMB-01 SS-20 NSC-07 L-03 STR-08 AGR-20 OIC-04 PRS-01

DRC-01 /202 W

----- 001626

R 222255Z MAY 74

FM USMISSION OECD PARIS

TO SECSTATE WASH DC 2796

UNCLAS SECTION 01 OF 02 OECD PARIS 12535

E.O. 11652:N/A

TAGS: EIND, OECD

SUBJECT: MEETING OF INDUSTRY COMMITTEE WP 1 (INTERNATIONAL ENTERPRISES), MAY 13-15, 1974

1. SUMMARY. WP 1 CARRIED FORWARD ITS CONSIDERATION OF 15 STATISTICAL CONCEPTS PERTAINING TO INTERNATIONAL ENTERPRISES, DRAFTED PROGRESS REPORT ON FORMULATING HARMONIZED SYSTEM OF STATISTICS, AND PREPARED REPORT ON WORK PROGRAM FOR 1975. BOTH REPORTS WILL BE SUBMITTED TO INDUSTRY COMMITTEE. REPORT ON STATISTICS INTENDED ULTIMATELY AS RESPONSE TO REQUEST BY OECD COUNCIL. END SUMMARY.

2. EXAMINATION OF STATISTICAL QUESTIONS. AT PREVIOUS WP MEETING (FEB 18-20, 1974), CANADA, SWEDEN AND U.K. TABLED PAPER ANALYZING DATA AVAILABILITY FOR 15 KEY CONCEPTS (SEE DIE/IND/INT.ENT./73.24) AS DEFINED FOR USE IN RESPECTIVE ONGOING NATIONAL STATISTICAL PROGRAMS. AS AGREED AT LAST MEETING, U.S. AND OTHER WP MEMBERS SUBMITTED SIMILAR PAPERS OUTLINING AVAILABILITY OF DATA RELATED TO THESE CONCEPTS.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 OECD P 12535 01 OF 02 222310Z

AT OPENING SESSION, CANADIANS TABLED PAPER OUTLINING

POSSIBLE DRAFT REPORT TO COUNCIL FROM INDUSTRY COMMITTEE. MOST SIGNIFICANT SECTION OF DOCUMENT WAS LIST OF "AGREED" INTERNATIONAL DEFINITIONS OF 15 KEY CONCEPTS DRAWN FROM IMF BALANCE OF PAYMENTS MANUAL, UN SYSTEM OF NATIONAL ACCOUNTS, UN DOCUMENT ON INTERNATIONAL RECOMMENDATIONS FOR INDUSTRIAL STATISTICS, AND FRASCATI MANUAL. DEFINITIONS INTENDED AS SUGGESTED YARDSTICK FOR CONFORMING DEFINITIONS IN NATIONAL STATISTICAL SYSTEMS AS THEY PERTAIN TO MNCS.

SUBSEQUENT DISCUSSION REVEALED WIDE DISCREPANCIES AMONG COUNTRY STATISTICAL SYSTEMS. AS EXAMPLE OF PROBLEM FACING COUNTRIES IN ACHIEVING COMPARABILITY, U.S. DELEGATE MENTIONED U.S. PLANS FOR BENCHMARK SURVEY OF FOREIGN DIRECT INVESTMENT AND POINTED OUT THAT COMPARABILITY WITH DATA OF OTHER COUNTRIES WOULD BE AFFECTED BY YEARS FOR WHICH DATA ARE COLLECTED AND DEGREE OF DISAGGREGATION DESIRED. HE ALSO MENTIONED NEED FOR PROTECTING CONFIDENTIALITY, AND INTERNAL COST CONSIDERATIONS INHIBITING PRODUCTION OF ALL DATA WHICH MIGHT THEORETICALLY BE DESIRABLE. OTHER DELEGATIONS INDICATED THEY FACED SIMILAR PROBLEMS.

BECAUSE OF UNCERTAINTY OF EXTENT TO WHICH NATIONAL STATISTICAL SYSTEMS COULD PRODUCE TYPES OF DATA NEEDED FOR MNC EXERCISE, WP DECIDED TO SEND DETAILED QUESTIONNAIRE ON NATURE OF STATISTICS AVAILABLE TO NATIONAL GOVERNMENTS WITH REQUEST THAT QUESTIONNAIRE BE RETURNED TO OECD BY MID-JUNE. NEED FOR QUICK ANSWER RESULTS FROM TIGHT SCHEDULE FOR PREPARATION BY JULY 31, OF INDUSTRY COMMITTEE REPORT TO OECD COUNCIL GIVING STATUS OF WORK ON FORMULATING HARMONIZED INTERNATIONAL STATISTICAL SYSTEM ON MNCS.

3. PREPARATION OF DRAFT W.P. REPORT. WP AGREED ON DRAFT REPORT ON PROGRESS IN SETTING UP HARMONIZED INTERNATIONAL STATISTICAL SYSTEM ON MNCS, WHICH WILL BE DISCUSSED BY INDUSTRY COMMITTEE AND SUPPLEMENTED BY ANALYSIS OF RESPONSES TO QUESTIONNAIRE BEFORE PRESENTATION TO COUNCIL. REPORT RELATIVELY BLAND DOCUMENT, INDICATING LIMITED PROGRESS ACHIEVED TO DATE. IT POINTS OUT THAT ESTABLISHMENT OF SYSTEM IS FEASIBLE FOR ALL

UNCLASSIFIED

PAGE 03 OECD P 12535 01 OF 02 222310Z

MEMBER COUNTRIES AND SUGGESTS CRITERIA FOR SETTING UP SUCH A SYSTEM. HOWEVER, IT NOTES THAT AT PRESENT ONLY SMALL NUMBER OF COUNTRIES PRODUCE USABLE DATA. REPORT CLEARLY MORE OPTIMISTIC THAN ACTUAL KNOWN SITUATION WARRANTS BUT THERE WAS GENERAL DESIRE, PARTICULARLY BY CHAIRMAN ZEMBSCH, TO PUT AS OPTIMISTIC A FACE AS POSSIBLE ON CURRENT STATUS OF WORK.

4. WORK PROGRAM FOR 1975. BASING ITSELF ON APPROVED
TERMS OF REFERENCE FOR WP (DIE/IND 1/74.2), AND
GUIDANCE INDUSTRY COMMITTEE RECEIVED FROM OECD COUNCIL
IN C(73)216, ENTITLED "FUTURE WORK ON ACTIVITIES ON
MULTINATIONAL ENTERPRISES," WP FORMULATED VERY AMBITIOUS
PROGRAM FOR 1975. TO ACCOMPLISH THIS FOUR MEETINGS
CONTEMPLATED.

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 OECD P 12535 02 OF 02 222311Z

63

ACTION EUR-25

INFO OCT-01 ISO-00 AID-20 CEA-02 CIAE-00 COME-00 EB-11

EA-11 FRB-02 INR-10 IO-14 NEA-14 NSAE-00 RSC-01

OPIC-12 SP-03 TRSE-00 CIEP-02 LAB-06 SIL-01 SWF-02

OMB-01 SS-20 NSC-07 L-03 STR-08 AGR-20 OIC-04 PRS-01

DRC-01 /202 W

----- 001668

R 222255Z MAY 74

FM USMISSION OECD PARIS
TO SECSTATE WASH DC 2797

UNCLAS SECTION 02 OF 02 OECD PARIS 12535

IN ADDITION TO STATISTICS EXERCISE DESCRIBED
ABOVE, WHICH LOOMS AS MAJOR PROBLEM FOR FUTURE, WP ALSO
PROPOSES TO CONSIDER WHETHER ATTEMPTS SHOULD BE MADE TO
SECURE ADDITIONAL DATA FROM MNCS DIRECTLY TO SUPPLEMENT
CURRENT EFFORTS. OTHER RESEARCH PROPOSALS INCLUDE IN-
VESTIGATION OF FUNCTIONS OF MNCS CAUSING CONCERN IN SOME
COUNTRIES, CONTRIBUTION OF MNCS TO INDUSTRIAL APPLICATION
OF TECHNOLOGY AND IMPROVEMENT OF MANAGEMENT TECHNIQUES,
MNC ROLE IN DEVELOPING PRODUCTION CAPACITY AND IN DIS-
TRIBUTION AND MARKETING, ASSESSMENT OF GENERAL PERFORMAN-
CE OF MNCS IN TERMS OF CONTRIBUTION TO ACHIEVEMENT OF

HOST COUNTRY POLICIES AND EFFECTIVENESS OF HOST GOVERNMENT ACTIONS IN INFLUENCING MNC ACTIVITIES CAUSING THEM CONCERN. ADDITIONAL PROJECTS INVOLVE STUDY OF DEGREE OF PENETRATION AND CONCENTRATION OF MNCS IN DIFFERENT INDUSTRIAL SECTORS AND EXAMINATION OF OPTIONS OPEN TO GOVERNMENTS IN FORMULATING FUTURE POLICIES.

ENSUING DISCUSSION MADE CLEAR THAT ABOVE PROGRAM TREMENDOUSLY AMBITIOUS IN VIEW OF RESOURCES AVAILABLE TO WP AND MEMBER GOVERNMENTS. U.S. UNCLASSIFIED

UNCLASSIFIED

PAGE 02 OECD P 12535 02 OF 02 222311Z

DELEGATE POINTED PARTICULARLY TO DIFFICULTY OF UNDERTAKING NEW ACTIVITIES IN COUNTRIES AND WP WHICH INVOLVE SUBSTANTIAL ADDITIONAL SURVEYS AND STATISTICS GATHERING EXERCISES BEFORE MAJOR PROJECT OF SETTING UP HARMONIZED STATISTICAL SYSTEM ACHIEVED AND RESULTS EVALUATED. U.S. ALSO STRONGLY OPPOSED PROPOSAL BY SWEDISH DELEGATE (WHICH IS HARDY PERENNIAL WITH HIM AND SEVERAL OTHER DELEGATIONS) OF SEEKING TO OBTAIN MNC DATA DIRECTLY FROM COMPANIES. SUGGESTED THAT BIAC BE APPROACHED AND WP EFFORTS BE COORDINATED WITH THEM. THIS GENERALLY SUPPORTED BY UK AND NETHERLANDS DELEGATES AS WELL AS BY CHAIRMAN AND SECRETARIAT.

5. FUTURE MEETINGS. NEXT WP MEETING SCHEDULED FOR 9-12 JULY 1974. WP EXPECTS TO RECEIVE DELEGATED AUTHORITY FROM INDUSTRY COMMITTEE TO COMPLETE REPORT TO OECD COUNCIL ON STATISTICS.

6. COMMENT. FROM STANDPOINT OF SHOWING FORWARD MOTION, BY AGREEMENT ON SUBSTANTIAL 1975 WORK PROGRAM, WP MEETING WAS SUCCESS. HOWEVER, WIDELY PERCEIVED PROBLEMS IN CURRENT EXERCISE TEND TO DIM SOMEWHAT THE DEGREE OF ATTAINMENT. STRONG EFFORTS BEING MADE BY CANADIAN, AUSTRALIAN AND SWEDISH DELEGATIONS TO EXTRACT MAXIMUM DATA FROM MNCS AND TO PUSH FOR AMBITIOUS RESEARCH PROGRAMS AIMED AT SECURING WIDER BASIS FOR STRONGER REGULATORY ACTIONS IN HOST COUNTRIES AND TO INFLUENCE DIRECTION OF INTERNATIONAL INVESTMENT EXERCISE WITHIN OECD.
BROWN

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DATA, INDUSTRIAL PRODUCTION, COMMITTEE MEETINGS, CARTELS, BALANCE OF PAYMENTS POLICIES
Control Number: n/a
Copy: SINGLE
Draft Date: 22 MAY 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974OECDP12535
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740128-0285
From: OECD PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740527/aaaaaxia.tel
Line Count: 214
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: garlanwa
Review Comment: n/a
Review Content Flags:
Review Date: 30 OCT 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <30 OCT 2002 by elyme>; APPROVED <10 JAN 2003 by garlanwa>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: MEETING OF INDUSTRY COMMITTEE WP 1 (INTERNATIONAL ENTERPRISES), MAY 13-15, 1974
TAGS: EIND, OECD
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005